Exhibit G

Company Name: Ocular Therapeutix Inc
Company Ticker: OCUL US
Date: 2016-11-09
Event Description: Q3 2016 Earnings Call
Market Cap: 137.18
Current PX: 4.66
YTD Change($): +.21
YTD Change(%): +4.719
Bloomberg Estimates - EPS
Current Quarter: -0.570
Current Year: -2.185
Bloomberg Estimates - Sales
Current Quarter: 0.542
Current Year: 1.977

Q3 2016 Earnings Call

Company Participants

- Brad Smith
- Amarpreet S. Sawhney, Ph.D.
- Andy Hurley
- Scott Corning

Other Participants

- Adnan Shaukat Butt
- Donald Bruce Ellis
- Ling Wang

MANAGEMENT DISCUSSION SECTION

Operator

Good morning, ladies and gentlemen. Thank you for standing by and welcome to the Ocular Therapeutix Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session, and instructions will follow at that time.

It is now my pleasure to turn the call over to Brad Smith, Chief Financial Officer of Ocular Therapeutix. Please go ahead, sir.

Brad Smith

Thanks, [ph] Aela (00:22). Good morning, everyone, and thank you for joining us on our third quarter 2016 earnings and corporate update conference call. Earlier this morning, we issued a press release providing an update on the company's product development programs and details of the company's financial results for the third quarter ended September 30, 2016. These can be accessed on the Investor portion of our website at investors.ocutx.com.

Leading the call today will be Dr. Amar Sawhney, our President, CEO and Chairman, who will provide a summary of our recent clinical and corporate developments including the status of our New Drug Application or NDA for DEXTENZA for the treatment of post-surgical ocular pain; our Phase 3 clinical development program for OTX-TP, our product candidate for the treatment of glaucoma and ocular hypertension; and our hydrogel depot program for the sustained release of drugs via intravitreal injection for the treatment of retinal diseases. Dr. Sawhney will also provide an overview of the various key milestones expected throughout the remainder of 2016 and into 2017.

Following Amar's remarks, I will provide an overview of the financial highlights for the third quarter of 2016 before opening the call for questions. Amar and I are joined on the call today by Eric Ankerud, our Head of Regulatory and Compliance and Quality; our Vice President – Scott Corning, our Vice President of Sales and Marketing; and Andy Hurley, our newly appointed Chief Commercial Officer.

As a reminder, during today's call, we will be making certain forward-looking statements. Various remarks that we make during this call about the company's future expectations, plans and prospects constitute forward-looking statements for purposes of the Safe Harbor Provisions Act. Actual results may differ materially from those indicated by

these forward-looking statements as a result of various important factors, including those discussed in the Risk Factors section of our most recent annual report on Form 10-Q on file with the SEC, which we filed earlier this morning.

In addition, any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so even if our views change.

I will now turn the call over to Dr. Amar Sawhney.

Amarpreet S. Sawhney, Ph.D.

Thank you, Brad. Good morning, everyone. And thank you for joining us on our call today. Over the past several months, our focus has been on execution. We made significant progress on a number of important fronts. Clearly, a major focus for us right now is our New Drug Application or NDA for DEXTENZA for the treatment of ocular pain occurring after ophthalmic surgery.

I'm pleased to report that we have had productive discussions with the FDA over the past several months. We believe we have taken the appropriate steps to address the manufacturing-related items raised by the FDA, although the FDA will make its determination after we resubmit our NDA.

As a reminder, in July, we received a CRL or complete response letter relating to certain manufacturing processes and control deficiencies, and subsequently received letter from the New England District Office providing additional details as to the outstanding deficiencies related to their pre-NDA approval inspection of the Ocular Therapeutix manufacturing facility.

Among these was an observation related to the proposed process for identifying, identity testing of an incoming inert gas component used in the DEXTENZA manufacturing process. The District Office letter also requested that we submit a formal report providing evidence that migration to automatic integration of analytical testing has been completed. Importantly, the CRL did not identify any deficiencies related to efficacy or safety concerns for the clinical data provided in the NDA for ocular pain indication nor any need for additional clinical data for the approval of the NDA.

We have had ongoing and productive communications with the FDA, including the District Office, the Office of Process and Facilities within the Center for Drug Evaluation and Research or CDER, and an important meeting with the FDA's officers to discuss our plans for the resubmission of the NDA. We have submitted our responses to the outstanding manufacturing observations to the District Office and expect to resubmit our NDA before the end of the year.

Adequate resolution of the outstanding Form 483 manufacturing deficiencies is a prerequisite to the approval of the NDA for DEXTENZA, although the final decision as to the adequacy of our manufacturing process is made by CDER as part of the NDA review process. An indication of the scope and timing of FDA's review of our NDA resubmission, including whether our re-inspection of our manufacturing facilities will be required, is expected within approximately 30 days after the resubmission to the NDA. If we receive a Class I determination, we expect that the review would take up to two months. And if we receive a Class II determination, which would result if a re-inspection is required, we expect that review would take up to six months.

We remain confident in DEXTENZA's ability to provide a full postoperative course of therapy with a one-time administration as compared to the current standard of care which requires a month-long complex and tapering regimen on a daily basis of eye drops. If approved by the FDA, we believe DEXTENZA would be the first and only steroid not containing preservatives available to ophthalmologist for the treatment of ocular pain occurring after ophthalmic surgery and the first and only FDA-approved drug to provide a complete course of therapy for authentication with drug [ph] elution (05:55) out of 30 days with a single placement. We, along with many physicians, see this as a real value proposition of DEXTENZA.

In a recent observation study published in the Journal of Cataract & Refractive Surgery, approximately 93% of post-cataract surgery patient showed improper technique when using the current standard of care steroid eye drops. This include common mistakes such as missing an eye, instilling an incorrect amount and contaminating the bottle tip. All of these improper techniques can lead to suboptimal patient outcomes and can also result in many of these patients having to revisit their doctor, which can be a burden for both office staff as well as ophthalmologists.

Our goal with DEXTENZA is to improve patient outcomes and enable the transfer of control back to the physician for the entire course of post-operative therapy.

If approved, we continue to believe that commercial update for DEXTENZA has the potential to be strong. According to U.S. Census data, by year 2020, it is estimated that number of Americans diagnosed with cataracts is expected to rise approximately 30 million, representing a 31.9% increase over current prevalence estimates. Given these numbers, it is not surprising that cataracts removal is the most commonly performed surgical procedure in the United States, Medicare-eligible population – of the patients that are Medicare-eligible population. Approximately 3.8 million cataracts cases were performed in the United States in 2015. In parallel, we've steadily rising surgical volume with requirement for safe and effective outcomes, driven not only by operative technique but also by the appropriate pre- and post-operative care. Therefore, DEXTENZA's ability to provide a full post-operative course of therapy with a one-time administration to address the issue of non-compliance is attractive to physicians.

In fact, approximately 80% of ophthalmologists stated in a recent market survey, conducted by a third party and commissioned by us, that DEXTENZA would become the new standard of care for post-surgical use. It's just not ophthalmologists but also patients who are seeking an alternative that's currently approved topical therapies.

At the OSN Annual Meeting last week, we reported faster results from a patient-reported outcome study of patients who are administered DEXTENZA in our first two Phase 3 trials for the treatment of post-surgical ocular inflammation and pain.

This cross-section qualitative evaluation involve individual interviews lasting approximately 45 minutes. There were no predesignated endpoints as for the qualitative survey seeking a deeper understanding of the patient experience with DEXTENZA.

We are pleased to report that 96% of participants reported the highest level of satisfaction rate with regards to overall product satisfaction. 100% of patients described DEXTENZA insert as comfortable. 88% of participants stated that they were to – if they were to undergo cataract surgery again, they would request the insert. And 84% of participants would be willing to pay more for the insert than for eye drop therapy.

It is encouraging to hear this from the patient themselves. Clearly, DEXTENZA was well received by these patients and largely preferred over topical therapy alternatives following surgery. This study has been submitted for publication, and we expect it to be available in manuscript form sometime early next year.

It is clear that both patients and physicians seek a better alternative to current standard of care steroid eye drop therapy to address the issue of non-compliance. And if approved, we believe DEXTENZA may serve as this alternative.

We're committed to bringing DEXTENZA to market and continue to build that commercial organization and infrastructure in preparation for the early-as-possible launch of DEXTENZA. To that end, we recently appointed Andy Hurley as our new Chief Commercial Officer, where he will oversee the potential launch of DEXTENZA. Andy has over two decades of experience in sales, marketing, market access and commercial operations across the pharmaceutical industry. And we are excited to have him join our team.

As we have previously stated, should the FDA grant marketing approval for DEXTENZA for the treatment of ocular pain occurring after ophthalmic surgery, we expect to apply for a transitional pass-through payment status to be used in the hospital and ambulatory surgery center setting.

Pass-through payment status provides transitional reimbursement for innovative new products for a period of three years. We intend to launch DEXTENZA in the U.S. through direct sales leadership and through a contract sales organization or CSO with sales representatives 100% dedicated to DEXTENZA. Our objective is to maximize product

uptake and revenue from the outset.

As many of you know, we are also pursuing additional indications of DEXTENZA in addition to ocular pain occurring after ophthalmic surgery, aiming to broaden its label. We expect top line results from our third Phase 3 clinical trial with DEXTENZA for post-surgical ocular inflammation and pain to be available in the fourth quarter of this year.

As a reminder, we designated this trial to include key modifications compared to our first two Phase 3 clinical trials for DEXTENZA for post-surgical ocular inflammation and pain. These modifications include a 1:1 patient randomization of treatment in placebo group instead of a 2:1 randomization. The inclusion of patients who have been treated with high levels of oral NSAIDs or non-steroidal anti-inflammatory drugs was excluded and improvement of cleaning and guidance on the onsite clinical investigators regarding adherence to study protocols including appropriate use of rescue medications.

We believe these modifications improve the likelihood of success for the trials. If we obtain favorable results from the trial and subject to potential approval of our NDA for ocular pain occurring after ophthalmic surgery, we plan to submit an NDA supplement for DEXTENZA to include a post-surgical ocular inflammation indication.

Just to be clear, we do not expect the results of this trial to affect our NDA resubmission. The agency has indicated they do not require efficacy data from this trial for its review of our NDA for ocular pain occurring after ophthalmic surgery. The purpose of conducting this third Phase 3 trial is to be part of our label expansion strategy with DEXTENZA.

I would now like to turn to OTX-TP, our sustained release travoprost drug product candidate for the treatment of glaucoma and ocular hypertension. We recently commenced patient enrollment in the first of two planned Phase 3 clinical trials with OTX-TP. This is exciting as this is the first Phase 3 trial to be conducted with a non-invasive sustained release drug candidate for the treatment of glaucoma and presents an important advancement in the field of ophthalmology.

According to IMS Health data, there were 34 million prescriptions and sales of approximately $2.7 billion of drugs administered by eye drops for the treatment of glaucoma in the United States in 2015. So, this is a very significant market opportunity. Compliance is seen as the biggest issue with existing therapies for glaucoma, and more than 50% of patients on topical prostaglandin analogs are not compliant with their therapy within the first six months of treatment.

OTX-TP aims to address this issue directly by allowing patients who are either unable to acquire or do not remember to or who incorrectly administer eye drop regimens to have a convenient way to manage their disease. This U.S.-based, prospective, multicenter, randomized, parallel-arm, placebo-controlled study is expected to enroll approximately 550 patients with open-angle glaucoma or ocular hypertension across 50 clinical sites.

The primary endpoint is statistically superior reduction of intraocular pressure from baseline with OTX-TP compared to placebo at three diurnal time points at 2, 6, and 12 weeks following insertion. Importantly, the Phase 3 study design does not include a timolol comparator or validation arm, and does not have active or placebo eye drops administered in either arm. A comparator arm utilizes a non-drug eluting hydrogel-based intracanalicular insert. We expect top line results from the first Phase 3 clinical trial to be available in the first half of 2018, and plan to commence the second Phase 3 clinical trial in the first half of 2017.

I'm also pleased to report that we have seen significant improvements in the retention base of the inserts at day 90 from our ongoing non-significant risks Investigational Device Exemption human clinical study during the non-drug eluting version of the OTX-TP insert compared with our Phase 2b trial with OTX-TP. Based on preliminary data, we are seeing retention rates approaching 90% at day 90. As many of you know, OTX-TP is designed to deliver travoprost to the ocular surface for up to 90 days.

This concludes my comments on our front-of-the-eye programs. As many of you are aware, we had also continue to move forward with the development of sustained release delivery depots for intravitreal injection to address many serious back-of-the-eye conditions as well. Our dual back-of-the-eye strategy is exploring the fact that these depots can be formulated with both small and large molecule pharmaceuticals such as anti-VEGF and tyrosine-kinase inhibitors or

TKIs.

We have made considerable recent progress in this area. Last month, we entered into a strategic collaboration, option and license agreement with Regeneron Pharmaceuticals for the development of a sustained release formulation of the VEGF trap aflibercept as well as other protein-based biologics targeting VEGF for the treatment of serious retinal diseases such as wet age-related macular degeneration or wet AMD.

For those of you who don't know, Regeneron's aflibercept is currently approved by the FDA for certain indications including wet AMD under the brand name EYLEA, and is the market-leading drug in the space. We're very pleased to see an industry leader, such as Regeneron, recognize the potential of our sustained release protein drug delivery platform, and look forward to working with them.

We believe that the structure of our agreement leverages what is currently the largest market opportunity in ophthalmology and positions Ocular Therapeutix for the meaningful level of participation in the economics post-market launch if this this program successfully culminates and the commercialization of a product under the collaboration. Brad will recap the economic terms of the collaboration during his financial update.

The U.S. market for anti-VEGF drugs in 2015 was approximately $4.2 billion a year. And we believe our platform could extend the lifecycle of aflibercept. A four-month to six-month sustained release formulation has the potential to advance the current standard of care in wet AMD and other retinal diseases by significantly reducing current injection frequency.

We had demonstrated up to six months of sustained release of a few different anti-VEGF drugs using our hydrogel-based drug delivery technology with a good safety profile and pre-clinical studies completed to-date.

Importantly, we retained all rights to develop our platform with all other non-VEGF targeting compounds, as well as with small molecule pharmaceuticals including TKI for all retinal diseases. We have demonstrated minimal inflammatory response in vivo through 26 weeks with both our anti-VEGF protein and TKI depots currently in development.

Our small molecule program focuses on TKIs has also produced promising data on pharmacokinetics, pharmacodynamics and tolerability. And our plan is to continue internal development of a sustained release TKI depot, which we feel could possibly be in human clinical trials within the next year.

As you can see, we have a lot going on at Ocular over the past few months. I will now turn the call back over to Brad, who will review our third quarter 2016 financial results.

Brad Smith

Thanks, Amar. I will first read some additional details of the collaboration we signed with Regeneron for the development of a sustained release formulation of their VEGF drug, aflibercept, currently marketed under the brand name EYLEA. We are eligible to receive up to $305 million in milestone payments from Regeneron for development and commercialization.

If we are successful in achieving positive results in a predefined clinical milestone, Regeneron has an option on the commercial license which, if exercised, would trigger a payment of $10 million from Regeneron. Ocular would be responsible for funding development through the initial human clinical trial. Regeneron would then be responsible for all subsequent development, regulatory and commercialization.

Importantly, Ocular is eligible to receive up to $305 million in milestone payments, as I mentioned, including up to $155 million in development and regulatory milestone payments which includes the $10 million option payment, $100 million for first commercial sale, and up to $50 million in commercial milestone payments.

In addition, we would be eligible to receive tiered high-single-digit to low- to mid-digit royalties on potential future net sales. We made the decision to trade off the possibility of what would've been a modest up-front payment for more

substantial milestone payments and higher royalties on net sales. In addition to using best commercial efforts on the program, Regeneron also has some specific time lines by which certain clinical milestones must be met. We believe that the structure of this collaboration positions us with a meaningful level of preservation in the economics post-market launch, if we successfully bring product to market.

Turning to our cash and investment position. As of September 30, 2016, we had $75.7 million in cash, cash equivalents and marketable securities. Cash used in operating activities was $7.3 million in the third quarter of 2016, compared to $9.7 million in the third quarter of 2015.

We expect cash used in operations to be between $41 million and $43 million for calendar year 2016 and expect capital expenditures to be between $3 million and $3.5 million for the year. This is, of course, subject to a number of assumptions about our clinical development programs, commercialization of DEXTENZA and other aspects of our business.

This spending will be driven by our clinical development programs and by our capital investment at a new facility. We plan to operate our existing manufacturing facility in parallel with the new facility for a period of time and plan to use this existing facility to the supply of DEXTENZA for our initial commercial launch subject, of course, to FDA approval of our NDA.

Based on our current plan and our forecasted expenses, we expect existing cash, cash equivalents and marketable securities to fund the company's operating activities, capital expenditures and debt service into the fourth quarter of 2017. We had $15.6 million in outstanding debt as of September 30, and principal payments are due starting January 2017 over a 36-month period.

For the quarter ended September 30, 2016, we reported a net loss of $9.6 million or $0.39 per share. This compares to a net loss of $11.5 million or a loss of $0.47 per share for the third quarter of 2015. The net loss for the third quarter of 2016 included $1.4 million in non-cash charges for stock-based compensation compared to $1.2 million in similar charges for the comparable quarter in 2015.

Revenues for the third quarter 2016 totaled just under $500,000 from the sales of ReSure Sealant. As previously stated, we don't expect product revenues from the sales of Resure Sealant to be meaningful in 2016 as we are deferring the deployment of a sales force until we launch our initial sustained release drug delivery product.

Total costs and operating expenses during the third quarter of 2016 were $9.7 million which compares to $11.6 million for the third quarter of 2015. Research and development expenses totaled $5.7 million in the third quarter of 2016 compared to $8.3 million in the third quarter of 2015. The decline in expenses is due to the fact that we incurred significantly lower clinical trial costs in the third quarter of 2016. We incurred $2.7 million in expenses related to the Phase 3 allergic conjunctivitis clinical trials in the third quarter of 2015 compared to only $14,000 in such costs in the third quarter of 2016 as those trials wound down.

In the second quarter of 2016, we had completed patient enrollment in the third Phase 3 trial of DEXTENZA for the treatment of ocular inflammation and pain. And therefore, expenses related to this trial were only approximately $430,000 in the third quarter.

In addition, in the third quarter 2016, we're in a very early stages of initiating our Phase 3 trial of OTX-TP for the treatment of glaucoma and ocular hypertension, and incurred approximately $800,000 in expenses. We expect the expenses related to our Phase 3 glaucoma trials to increase significantly in future quarters as we expect to enroll up to 550 patients in each of the two Phase 3 trials. We had approximately 24.9 million shares of common stock outstanding as of September 30.

This concludes my comments on the third quarter financial results, and we'll like to now turn it back over to the operator for Q&A.

Q&A

Operator

Thank you [Operator Instructions] And our first question comes from Adnan Butt with RBC Capital Markets. Your line is now open.

<Q - Adnan Shaukat Butt>: Hi, folks. Thanks for the question. On the third DEXTENZA study, could I ask what stage the company is at? Are you at the point of analysis? Has database lock occurred, or those things are still pending?

<A - Amarpreet S. Sawhney, Ph.D.>: We're pretty close. Meaning, I think, yes, we have locked the database. So, we've guided that before the end of the year, probably closer rather than later, we would be in a position to announce the results.

<Q - Adnan Shaukat Butt>: Thanks, Amar. And then, on the OTX-TP Phase 3 program, two things there. First to mention that there's an NSR study that shows improved retention. Could you say a bit more about that? And then, secondly, for the Phase 3, is it designed so that you'd be able to give top line efficacy at three months or will we have to wait until the study completes?

<A - Amarpreet S. Sawhney, Ph.D.>: So, let me answer your first question, and then I'd like – maybe if you could clarify the second one. So, the – with regards to retention rate, as you know, what we have been doing is refining the hydrogel insert in terms of its physical size, insertion characteristics to make the process as seamless as possible for both insertion and removal and along with that process retention. So, the NSR study that we have conducted have indicated to us that the retention rates are in the 90% kind of range at three months.

Remember that these were in the 50% range in the Phase 2b trial, and we have been working diligently to improve that and we think we've made considerable progress in that regard. And so, we feel pretty good about where we are on that.

The second question if you could just remind me.

<Q - Adnan Shaukat Butt>: Sure. Just to follow up there, Amar, when you look at these studies, you also look at inflammation, any physiological response and everything as fine and clean with these inserts of up to three months?

<A - Amarpreet S. Sawhney, Ph.D.>: Yeah. It is completely acceptable in terms of – so, what we see is there may be a few cases where there may be some level of irritation or transient inflammation, but that is easily resolved. So, it's nothing that is lasting or – and that's in probably less than 10% of cases. So, if you look at eye drops, for example, you may see hyperemia and installation site pain, effects of preservatives. So, when you kind of – each product has its own kind of safety profile. And we think that the safety profile, when you look at the overall comparison, would be quite favorable relative to eye drops.

<Q - Adnan Shaukat Butt>: Okay. And the question on the pivotal study was that – is the primary endpoint, just clarifying, it's at – is it at three months? And if so, would you be able to – even though the study maybe lasts longer, would you be able to give top line data once the efficacy endpoint has been reached?

<A - Amarpreet S. Sawhney, Ph.D.>: So, okay, a couple of things. One, it's not only at three months. It's at – the endpoint is basically taking three different time points, 2, 6 and 12 weeks. And three diurnal time points, at those – 8:00 AM, 10:00 AM and 4:00 PM. And then, looking to demonstrate kind of superiority – statistical superiority compared to the placebo insert at each of those time points. So, that is the primary endpoint. So, it's not only at day 90, okay?

So, the second part is that the – once that efficacy has been demonstrated, I think the – forgetting what your – you've asked something else, I'm sorry.

<Q - Adnan Shaukat Butt>: Yeah. Just can you – would you be able to – maybe...

<A - Amarpreet S. Sawhney, Ph.D.>: Interim analysis or not, so...

<Q - Adnan Shaukat Butt>: Right. Right. Can you say that, okay, this is the [indiscernible] (28:26) the primary endpoint, something like that.

<A - Amarpreet S. Sawhney, Ph.D.>: Well, there are – it is possible. We'll have to look into that to make sure that there is sort of none any penalty. But we typically like to make sure that the safety evaluation duration of at least three months is finished. So – that, for the efficacy part, would have been finished. So, we would be able to give three months of safety and efficacy at that point in time and the top line results, yes.

<Q - Adnan Shaukat Butt>: Okay. Thank you. I'll get in line.

Operator

Our next question comes from Donald Ellis with JMP Securities. Your line is now open.

<Q - Donald Bruce Ellis>: Thank you and good morning. First question is, can you describe the kind of infrastructure rollout for 2017 for DEXTENZA, assuming approval with respect to the numbers of patients, numbers of territories, et cetera?

And then, any 2017 data points we should be looking for your hydrogel program either in or outside of the VEGF program?

And then, remind us again about the pass-through. What are the parameters of the pass-through and how is the price set for DEXTENZA in pass-through?

<A - Andy Hurley>: So, this is Andy Hurley. So, obviously, I've been here just under a month's time and I've been able to evaluate really our launch planning efforts over that period of time. What I can say is we're right on track. The launch planning is ongoing, we're right on track. We have sub-teams that are focused on all the critical areas for commercialization. And what we're looking to do is build a commercial model that focuses on educating physicians, not only on the clinical value, but also providing triage support for the reimbursement issues that may come up across the managed care channels.

We realized the market opportunity is large for DEXTENZA. What we're going to be needing to do over the next couple of months is really to find what we're going to need for critical mass that will be right-sized to realize the fullest opportunity for DEXTENZA. That's not just under the sales realm. That's going to also be on the reimbursement side for reimbursement specialist. So, that number is still not completely determined. But what I can say is just that we're completely aware of the market opportunity and we're going to go and right-size it, too, to realize the best opportunity for DEXTENZA.

<A - Amarpreet S. Sawhney, Ph.D.>: And now, with regards to pass-through, maybe I'll let Scott comment on pass-through.

<A - Scott Corning>: Yeah. Transitional pass-through payment status requires that you set a price that's not insignificant to the cost of the procedure itself. So, if you take the hospital reimbursement for cataract surgery at $1,600-plus, you need to be somewhere in the 20%-plus range in terms of your pricing in order to qualify for transitional pass-through payment status. And so, although we haven't determined our final pricing, we feel we need to be in that range in order to be granted that status. You also need to be an innovative product which we obviously will be, should we be approved. And so, FDA approval is the base requirement for transitional pass-through payment status.

And I think it's also important to mention that regardless of when approval happens, CMS just made a final determination that pass-through payment status, although it remains on a quarterly approval cycle, now doesn't start at the first of the year. So, regardless of the quarter in which we gain pass-through status, we expect to have a full three years under that construct.

<Q - Donald Bruce Ellis>: Okay. And that 20% you mentioned, what's the reference point, has to be 20% of what?

<A - Scott Corning>: The WACC pricing. So, once you set your pricing, you just want to make sure that you're in the realm of around that percent. There's specific formulas put forth by CMS, but in short, it comes down to approximately that percentage or a little higher than that.

<A - Amarpreet S. Sawhney, Ph.D.>: Of the procedural.

<A - Scott Corning>: Yeah, of the procedural reimbursement. So, as I said, in the hospital setting, cataract surgery is in the $1,600-plus range. So, if 20-plus percent of that, is in the $400-plus range.

<Q - Donald Bruce Ellis>: Yeah. Okay. Understood. Okay. And then, 2017 potential data points for hydrogel?

<A - Scott Corning>: I'm sorry? I'm sorry. Could you repeat that?

<A - Amarpreet S. Sawhney, Ph.D.>: What's the question?

<Q - Donald Bruce Ellis>: Sure. Any data points that we shall be looking for regarding your hydrogel drug delivery program in 2017?

<A - Amarpreet S. Sawhney, Ph.D.>: You mean for the back of the eye?

<Q - Donald Bruce Ellis>: Yes.

<A - Amarpreet S. Sawhney, Ph.D.>: Yeah. So, what – as I mentioned that the TKI program which is under our control, we have a little bit better ability to predict that because we control the time lines. So, we think we could be in the clinic sometime next year, probably towards the latter part of next year. Whether we will have results on that next year or not is not clear right now, but I think we hope to be able to enter the clinic in a kind of a early proof-of-principle Phase 1b type of a study.

<Q - Donald Bruce Ellis>: Great. Thank you very much.

Operator

[Operator Instructions] Our next question comes from Ling Wang with BTIG. Your line is now open.

<Q - Ling Wang>: Thank you. So, I just want to get more clarity on the timing for the regulatory event. So, after you resubmitted the post-surgical pain indication for DEXTENZA, you mentioned Class 1 and Class 2 classification. In which class do you expect the resubmission to be classified?

<A - Amarpreet S. Sawhney, Ph.D.>: So, when we make the submission in our discussions that we had with the agency, we ask them that same question. And their response was that this determination is made after you do the resubmission and we will – we're open to both possibilities but we need to look at the resubmission to make that determination.

If they feel that an inspection is required, it could be a Class 2. If they don't, then the rest of the topics tend to fit under the Class 1 kind of category. But whether or not a re-inspection is required, either determination that CDER will make and they just said that we'll get back to you in 30 days after your resubmission to inform you of that.

So, we really – I can't get more guidance – or can't give more guidance on that. I think it's important to realize that this is a matter of when, not if, type of a thing. We've adequately, we think, addressed all the issues that they've raised and communicated our plans to them, and they seem in broad agreement with the plans that we've communicated.

But until they kind of review the resubmission, they will not be in a position of giving any further guidance. So, when we do that, let's say that toward – by the end of the year, December, we submit, in January, they would let us know whether it's one more month left or five more months left.

<Q - Ling Wang>: Got it. And also, I would assume, I mean, the NDA supplement, once you get the Phase 3 data in the inflammation study, so you will submit that after the approval in the pain indication...

<A - Amarpreet S. Sawhney, Ph.D.>: That's right.

<Q - Ling Wang>: Right. And then, what is the timeline for – I mean, the review time for the NDA supplement?

<A - Amarpreet S. Sawhney, Ph.D.>: So, typically an NDA supplement, which includes new clinical data, has a 10 months' time line on it.

<Q - Ling Wang>: 10 months, that's okay.

<A - Amarpreet S. Sawhney, Ph.D.>: So, that is what we'll expect. And this is the reason we choose not to sort of submit that right now as part of the resubmission because it would potentially prolong that time line.

So, we – and it is not required as part and parcel of this initial NDA resubmission. So, our hope is that we will do that. As soon as we gain our NDA approval for pain, we will be in a position to be ready with our data to do the supplement.

<Q - Ling Wang>: Got it. I'm just curious, if DEXTENZA get the pain indication on the market before – I mean, without the inflammation indication in the time being, so how – I mean, I just want to get your insight how would it be used. I would assume like the patients will need to be given both DEXTENZA and some kind of anti-inflammation drug at the same time?

<A - Amarpreet S. Sawhney, Ph.D.>: Recall that patients currently are given steroid and NSAID eye drops, both, okay?

<Q - Ling Wang>: Yes.

<A - Amarpreet S. Sawhney, Ph.D.>: So, there is two anti-inflammatory, two analgesic drugs being given at the same time anyway. The steroid is sort of what primarily people rely on. The NSAID is an additional thing, oftentimes given for probably other purposes of – to start macular edema prophylaxis which is actually not its indication, but anyway I'm not dwelling on that point.

The take-home message is that the NSAID drop will still be given. DEXTENZA would be replacing the steroid eye drop regimen. And patients are seen at day-1 time point and then at day-30 time point, so – as part of the normal course of their surgery.

So, at day one, our data from our clinical trial is pretty strong on pain. And if the patients are doing well, they don't need to have anything else prescribed. That would be the normal course of action. DEXTENZA, the NSAID drop prescribed. And that's kind of how we expect it to go.

<Q - Ling Wang>: I see. That's really helpful. And I just wanted to clarify. Let's say, once you get the inflammation label, would that impact the price in that order or the pass-through status? I mean, how should we be thinking about that?

<A - Amarpreet S. Sawhney, Ph.D.>: No. No. It doesn't impact any of those issues. It is principally done by us more as sort of an implicit responsibility that we want to be able to have a similar label to what current steroid eye drops do, so that our reps are not in a position where they have to either defer that question or not be able to directly speak to it or promote to it. So, I think it's more from that standpoint our data from market research has reflected that really there isn't much of a difference in market uptick whether or not you have that label as long as there is published evidence that the product does have efficacy in that regard and its activity mechanisms are based on that. However, we don't want to be in a position where we are kind of creating a fine line in terms of how we promote the product. So, for that reason, we are pursuing the inflammation indication.

<Q - Ling Wang>: Got it. And lastly, for the pass-through reimbursement status, I was wondering whether the CMS is fine to give you the decision on a quarterly basis, or I mean is there a time line, a fixed time line or...

<A - Amarpreet S. Sawhney, Ph.D.>: Yeah. It's usually within three months, they give you a response. Within three months of your filing, a response can be gotten. The good news is that this November, which was supposed to be a draft, a document has now just been finalized where earlier it used to be there and had to be the beginning of the calendar year when that started to able to get the full three years. Now, it's been made such that whatever quarter you start in. So, effectively, if one were to start, say, in July, then you would have three years until that July. Otherwise, in the prior situation, you will only have 2.5 years. So, that's a good development.

<Q - Ling Wang>: Yeah. That's great. Thank you very much and congratulations on the progress.

<A - Amarpreet S. Sawhney, Ph.D.>: Thank you.

Operator

There are no further questions. I will now turn the call over to Amar Sawhney for any closing remarks.

Amarpreet S. Sawhney, Ph.D.

I want to thank everyone for taking the time to join us on the call today. We look forward to providing you with updates on our NDA for DEXTENZA for the ocular pain indication, as well as on our third Phase 3 clinical trial with DEXTENZA for post-surgical ocular inflammation and pain, and also on our Phase 3 program of OTX-TP for the treatment of glaucoma. We will also be at the Stifel and Piper Jaffray Healthcare Conference later this month, and hope to see many of you there.

On behalf of the entire Ocular team, thank you, all, for your support. You may now disconnect.

Operator

Ladies and gentlemen, thank you for participating in today's conference. You may all disconnect. Everyone, have a great day.